

THE CALIFORNIA DEBT LIMIT ALLOCATION COMMITTEE
May 15, 2019
Staff Report
REQUEST FOR A QUALIFIED PRIVATE ACTIVITY BOND ALLOCATION FOR A
QUALIFIED RESIDENTIAL RENTAL PROJECT

Prepared by: Richard Fischer

Applicant:	California Housing Finance Agency
Allocation Amount Requested:	Tax-exempt: \$29,050,000
Project Information:	Name: Blackstone & McKinley TOD Project Address: 1501 North Blackstone Avenue Project City, County, Zip Code: Fresno, Fresno, 93703
Project Sponsor Information:	Name: 1501 N. Blackstone Ave., LP (Corporation for Better Housing) Principals: Lori Koester, John Eleftheriou, and Rob Tidd for Corporation for Better Housing Property Management Company: WinnResidential California LP
Project Financing Information:	Bond Counsel: Orrick, Herrington & Sutcliffe LLP Private Placement Purchaser: Pacific Western Bank Cash Flow Permanent Bond: Not Applicable Public Sale: Not Applicable Underwriter: Not Applicable Credit Enhancement Provider: Not Applicable Rating: Not Applicable TEFRA Noticing Date: March 8, 2019 TEFRA Adoption Date: April 4, 2019
Description of Proposed Project:	State Ceiling Pool: General Total Number of Units: 88 Manager's Units: 1 Unrestricted Type: New Construction Population Served: Family

Blackstone & McKinley TOD Apartments is a new construction project located in Fresno on a 2.9-acre site. The project consists of 87 restricted rental units and 1 unrestricted manager unit. The project will have 27 one-bedroom units, 30 two-bedroom units and 31 three-bedroom units. The building will be 4 stories of wood frame construction. Common amenities include a large community room, laundry facilities, high speed internet connection, barbeque area, children's play area and bicycle storage. Each unit will have a refrigerator, a oven, dishwasher, central heating and air conditioning, vertical blinds and carpeting. There are 112 parking spaces provided. Green features include photovoltaic panels to offset common energy loads. The construction is expected to begin in October 2019 and will be completed in February 2021.

Description of Public Benefits:

Percent of Restricted Rental Units in the Project: 100%
61% (53 units) restricted to 50% or less of area median income households.
39% (34 units) restricted to 60% or less of area median income households.
Unit Mix: 1, 2 & 3 bedrooms

The proposed project will not be receiving service amenity points.

Term of Restrictions:

Income and Rent Restrictions: 55 years

Details of Project Financing:

Estimated Total Development Cost: \$ 37,810,296
Estimated Hard Costs per Unit: \$ 261,635 (\$23,023,846 /88 units including mgr. unit)
Estimated per Unit Cost: \$ 429,662 (\$37,810,296 /88 units including mgr. unit)
Allocation per Unit: \$ 330,114 (\$29,050,000 /88 units including mgr. unit)
Allocation per Restricted Rental Unit: \$ 333,908 (\$29,050,000 /87 restricted unit)

Sources of Funds:	Construction	Permanent
Tax-Exempt Bond Proceeds	\$ 29,050,000	\$ 1,835,000
Taxable Tail Proceeds	\$ 1,760,000	\$ 0
LIH Tax Credit Equity	\$ 3,445,606	\$ 13,313,139
CalHFA Earned Surplus Loan	\$ 0	\$ 1,760,000
Deferred Developer Fee	\$ 0	\$ 2,902,206
HCD-AHSC Loan	\$ 0	\$ 12,600,000
City of Fresno Successor	\$ 0	\$ 2,200,000
City of Fresno Impact Fees	\$ 329,065	\$ 329,065
City of Fresno	\$ 0	\$ 500,000
City of Fresno SJVAPCD	\$ 0	\$ 1,843,572
Solar Equity	\$ 0	\$ 527,314
Total Sources	\$ 34,584,671	\$ 37,810,296

Uses of Funds:	
Land Cost/Acquisition	\$ 2,100,000
Relocation	\$ 829,500
New Construction	\$ 22,541,812
Contractor Overhead & Profit	\$ 1,701,268
Architectural Fees	\$ 486,000
Survey and Engineering	\$ 270,000
Construction Interest and Fees	\$ 2,831,049
Permanent Financing	\$ 73,630
Legal Fees	\$ 295,000
Reserves	\$ 159,212
AHSC Transit Passes	\$ 150,336
Appraisal	\$ 12,000
Hard Cost Contingency	\$ 1,212,154
Local Development Impact Fees	\$ 760,645
Other Project Costs (Soft Costs, Marketing, etc.)	\$ 887,690
Developer Costs	\$ 3,500,000
Total Uses	\$ 37,810,296

Analyst Comments:

None

Legal Questionnaire:

The Staff has reviewed the Applicant’s responses to the questions contained in the Legal Status portion of the application. No information was disclosed to question the financial viability or legal integrity of the Applicant.

Total Points:

78 out of 140 [See Attachment A]

Recommendation:

Staff recommends that the Committee approves \$29,050,000 in tax-exempt bond allocation.

ATTACHMENT A

EVALUATION SCORING:

Point Criteria	Maximum Points Allowed for Non-Mixed Income Projects	Maximum Points Allowed for Mixed Income Projects	Points Scored
Preservation Project	20	20	0
Exceeding Minimum Income Restrictions:	35	15	35
Exceeding Minimum Rent Restrictions [Allowed if 10 pts not awarded above in Preservation Project]	[10]	[10]	10
Large Family Units	5	5	5
Leveraging	10	10	10
Community Revitalization Area	5	5	0
Site Amenities	10	10	7.5
Service Amenities	10	10	0
New Construction or Substantial Renovation	10	10	10
Sustainable Building Methods	10	10	0
Forgone Eligible Developer Fee (Competitive Allocation Process Only)	10	10	N/A
Minimum Term of Restrictions (Competitive Allocation Process Only)	10	10	N/A
Negative Points (No Maximum)	-10	-10	0
Total Points	140	120	77.5